

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION FOR APPROVAL OF)	
CONSTRUCTION AND FINANCING FOR)	CASE NO. 9261
THE CHRISTIAN COUNTY WATER)	
DISTRICT, OF CHRISTIAN COUNTY,)	
KENTUCKY)	

O R D E R

The Christian County Water District ("Christian County") filed an application on January 18, 1985, for authorization to construct a \$188,355 waterworks improvements project, approval of its financing for this project and approval of the contract between Christian County and the Cabinet for Human Resources' ("CHR"), which outlines the financial arrangements for the proposed project and the purchase of water by CHR. The proposed financing includes \$161,985 from CHR and \$26,370 from surplus funds in Christian County's depreciation reserve account. The proposed improvements will provide water service to CHR's Outwood facility.

Drawings and specifications for the proposed improvements as prepared by J. T. Blankenship and Associates, of Murphysboro, Illinois, ("Engineer") have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

A hearing on Christian County's proposed construction and financing was held in Frankfort, Kentucky, on May 2, 1985. There were no intervenors and no protests were entered.

The Public Service Commission, after consideration of the application and evidence of record and being advised, is of the opinion and finds that:

1. Public convenience and necessity require that the construction proposed in the application and record be performed and that a certificate of public convenience and necessity be granted.

2. The approved construction includes about 2.5 miles of 6- and 4-inch water mains, a 52,000-gallon water storage tank, a booster pumping station and miscellaneous appurtenances thereto. The low bids received for the proposed work totaled \$138,101 which will require about \$188,355 after allowances are made for fees, contingencies and other indirect costs.

3. Christian County should obtain approval from the Commission prior to performing any additional construction not expressly certificated by this Order.

4. Any deviations from the approved construction which could adversely affect service to any customer should be subject to prior approval of this Commission.

5. The financing secured by Christian County for this project will be needed to pay for the work herein approved.

Christian County's financing plan should, therefore, be approved.

6. Christian County should furnish duly verified documentation of the total cost of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed.

7. Christian County's contract with its Engineer should require the provision of full-time resident inspection under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering. This supervision and inspection should insure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

8. Christian County should require the Engineer to furnish a copy of the record drawings and a signed statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the date of substantial completion of this construction.

9. Christian County should file with the Commission a copy of all contractual agreements for the provision of services or the purchase of services which are subject to the approval of the Commission.

10. The contract entered into between Christian County and CHR outlining the financial arrangements for the project, the minimum water usage by CHR and the rate schedule as per Appendix A should be approved. Any changes or deviations to this contract should be submitted to the Commission for approval prior to implementation.

11. The waterworks improvement project should be recorded in Christian County's books of account in accordance with the utility plant instructions and other requirements of the Uniform System of Accounts for Class A and B Water utilities as prescribed by this Commission.

IT IS THEREFORE ORDERED that Christian County be and it hereby is granted a certificate of public convenience and necessity to proceed with the waterworks improvements project set forth in the drawings and specifications of record that are hereby approved.

IT IS FURTHER ORDERED that Christian County shall comply with those matters prescribed in Findings 3 through 11 herein as if the same were individually so ordered.

IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for services rendered to CHR's Outwood facility on and after the date of this Order.

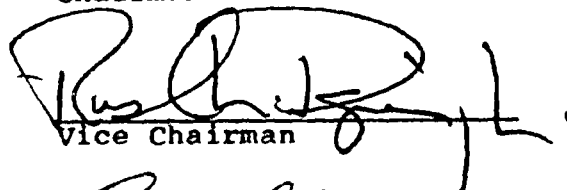
IT IS FURTHER ORDERED that Christian County shall file its tariff sheets setting forth as a special contract the rates to be charged CHR's Outwood facility within 30 days of the date of this Order.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein authorized.

Done at Frankfort, Kentucky, this 17th day of May, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9261 DATED MAY 17, 1985

The following rates and charges are prescribed to be charged by Christian County Water District for water service provided to the Commonwealth of Kentucky, Cabinet for Human Resources, Outwood Facility. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Commonwealth of Kentucky
Cabinet for Human Resources
Outwood Facility

<u>Usage Level</u>	<u>Rate</u>
First 450,000 gallons	\$ 1202.55 (Minimum)
All Over 450,000 gallons	2.64 per 1,000 gallons